

ASSIGNMENT OF CONTRACTS

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THE STATE OF TEXAS

COUNTY OF HARRIS

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INTERSTATE COMMERCE COMMISSION
KNOW ALL MEN BY THESE PRESENTS:

1. TRANSPORTATION EQUIPMENT, INC., a Texas corporation (hereinafter called "Assignor"), for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration to Assignor in hand paid, the receipt and sufficiency of all of which is hereby acknowledged and confessed, has BARGAINED, SOLD, ASSIGNED, SET OVER and TRANSFERRED and by these presents does BARGAIN, SELL, ASSIGN, SET OVER and TRANSFER unto HARRIS COUNTY BANK - HOUSTON, N.A. (hereinafter called "Bank"), and its successors and assigns, all rights, titles and interests of Assignor, but not the obligations, and all revenues, rentals, service fees, monies, proceeds, benefits and payments accruing and to accrue, and all sums payable and to be payable to Assignor and to which Assignor is and might be entitled under and by virtue of (i) those certain Hopper Car lease and service contracts, and Riders attached thereto, as fully described on Exhibit "A" attached hereto and made a part hereof for all purposes, (hereinafter called the "Existing Agreements", which term shall include any and all amendments, supplements and agreements had and to be had in connection therewith) between Assignor, as Owner, and Mobil Oil Corporation (hereinafter called "Mobil") and Ferro Corporation (hereinafter called "Ferro"), as lessees, respectively, (Mobil and Ferro hereinafter called the "Lessees") and (ii) any and all future or existing leases (hereinafter called the "Future Agreements") of those certain forty-one (41) 5250 cubic feet nominal capacity covered Hopper cars, bearing the numbers set forth in Exhibit "B" attached hereto and made a part hereof for all purposes.

2. THIS ASSIGNMENT is executed, acknowledged and delivered as security for and to secure the full, prompt and complete payment as and when the same becomes due and payable of all sums owing and to be owing on the following, together with any renewals, extensions or rearrangements thereof (hereinafter collectively called the "Indebtedness"):

- (a) Promissory note of even date herewith in the principal amount of \$500,000.00 executed by Assignor, payable to the order of Bank on or before five (5) years from the date thereof bearing interest as therein provided (hereinafter called the "Note");
- (b) All other sums with interest thereon becoming due and payable to Bank under the provisions of the Note or this Assignment; and
- (c) The performance and discharge of each and every obligation, covenant and agreement of Assignor contained herein or in the Note or in any agreement now or hereafter entered into by Assignor as security for or in connection with this Assignment or the Note.

3. Upon default in the payment of any of the Indebtedness when due, Bank is fully authorized and empowered (without the necessity of any further consent or authorization from Assignor):

- (a) to receive, collect and demand payment direct from Lessees, or all rentals, service fees, revenues, monies, proceeds, benefits and payments due and to become due Assignor, and accruing and to accrue unto Assignor under and by virtue of the Existing Agreements or the Future Agreements (hereinafter collectively called the "Agreements") and any and all amendments, supplements and agreements had and to be had in connection therewith owing or to be owing to Assignor in connection with any matters referred to in or contemplated by said Agreements;

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- (b) to receipt for all sums and amounts paid to Bank in its own name or as agent for Assignor, and any and all receipts given by Bank for payments received by it shall be a full and complete discharge to Lessees or the persons, firms or companies making such payment, the same as though said amounts and sums were and had been paid directly to Assignor; and all such receipts or receipt by Bank, either for itself or as agent for Assignor, shall be and operate as a full and complete discharge to Lessees or any other person, firm or company making such payment or payments, with respect to all such sums so received by Bank;
- (c) to commence, maintain or discontinue any action, suit or other proceeding which it deems advisable to collect or enforce the payment of the sums, monies, benefits, revenues, rentals, service fees, proceeds and payments assigned hereby; to compromise, compound and settle the same, to endorse in the name of the Assignor any checks, drafts or other instruments payable to Assignor or to its order, as may be issued in whole or in partial payment in connection with said Agreements; and
- (d) to exercise at its option all the rights and remedies provided to Assignor in the Agreement, and to perform or cause to be performed Assignor's obligations under the Agreements to maintain the same in full force and effect.

4. Failure of Bank to collect or receive any sums of money to which it might be entitled to hereunder, or failure to take any action to collect any sums shall not in anywise prejudice, release or relinquish any of the rights of Bank hereunder.

5. Bank shall not be under any duty or obligation to take any action, bring any suit or act in any regard in order to enforce the collection of any or all of the monies assigned hereunder; and, although it has the right to do so, failure on the part of the Bank to do so shall not relieve, diminish or affect the rights hereunder given or the monies hereby assigned.

6. Assignor covenants and agrees with Bank as follows:

- (a) Assignor will comply with all the terms and conditions of the Agreements to the effect that lessees thereunder will be fully obligated to advance all sums called for thereunder; and
- (b) Assignor will give written notice to Bank of any amendments or modifications to the Agreements.

7. Assignor further covenants and represents with and to Bank that the Agreements hereinabove described are in full force and effect, and there has been no default in the performance thereof in any respect, and that Assignor will, upon default in payment of the Indebtedness, prepare, execute and forward all such documents and other instruments as may be required in order to have payments owing under the Agreements paid directly to Bank, and will execute and deliver all such other assignments and instruments as might be required or necessary to vest title to all revenues, rentals, service fees, proceeds, benefits and payments covered by this instrument in Bank, and so that the same will be paid directly to Bank.

8. Assignor further represents that the Agreement and the revenues, rentals, service fees, monies, proceeds, benefits and payments accruing and to accrue thereunder are unencumbered and unassigned to any parties or entities whatsoever except to Bank as herein provided, and no liens or claims exist against such sums except to Bank, and no event has occurred which would give Lessees a right of offset against such sums.

9. Anything herein contained shall not in anywise limit or be construed as limiting Bank to collect any note, item, sum, or amount secured and to be secured hereby only out of the revenues, rentals, service fees, monies, proceeds, benefits, and payments accruing and to accrue unto Assignor, under and by virtue of the Agreements, but it is expressly understood and provided that all such Indebtedness and amounts secured and to be secured hereby do, and shall constitute absolute and unconditional obligations upon Assignor to pay to Bank the amounts provided for in the Note and the instruments made in connection therewith and all agreements made with reference thereto at the time and in the manner therein specified or provided.

10. Upon full and complete payment of sums owing and to be owing by Assignor to Bank under and pursuant to the Note and any and all renewals, extensions and rearrangments thereof, at the request of Assignor, Bank will make, execute and deliver a reassignment of the monies, revenues, rentals, service fees, proceeds, benefits and payments, if any, that may be owing upon the Agreements to Assignor, but without covenant or warranty, however, of any kind or character, express or implied, and with the provision that Bank will not be required or called upon to refund or account for any payments properly made to it which have been or may be properly applied to any Indebtedness secured or to be secured hereby.

11. Any and all other instruments had or to be had in connection with or as security for the payment of any Indebtedness mentioned herein and secured and to be secured hereby, in law or in equity, shall be cumulative one of the other and not exclusive.

WITNESS THE EXECUTION HEREOF, as of the 5th day of July, 1985.

TRANSPORTATION EQUIPMENT, INC.

By: Robert R. Huette
Name: Robert R. Huette
Title: President

By: H. C. Helmcamp
Name: Hugo C. Helmcamp
Title: Vice President & Sec.

THE STATE OF TEXAS
COUNTY OF HARRIS

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This instrument was acknowledged before me on this 5th day of July, 1985 by Robert R. Huette, President of TRANSPORTATION EQUIPMENT, INC., a Texas corporation, on behalf of said corporation.

Valerie M. Adams
NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS

My Commission Expires:
4-19-89

Valerie M. Adams
Printed Name of Notary Public

THE STATE OF TEXAS

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COUNTY OF HARRIS

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This instrument was acknowledged before me on this 5th day of July, 1985 by Hugo C. Helmcamp, V.P. & Secretary of TRANSPORTATION EQUIPMENT, INC., a Texas corporation, on behalf of said corporation.

Valerie M. Adams

NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS

My Commission Expires:
4-19-89

Valerie M. Adams
Printed Name of Notary Public

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E X H I B I T "A"

EXISTING AGREEMENTS

1. Hopper Car Lease and Servicing Contract, Contract No. L-261-84 dated May 7, 1984 by and between Transportation Equipment, Inc. and Mobil Oil Corporation, including Riders No. 2, 4 and 5.
2. Transportation Equipment, Inc. Lease No. L-281-84 dated September 26, 1984 by and between Transportation Equipment, Inc. and Ferro Corporation.

EXHIBIT "B"

HOPPER CAR IDENTIFYING MARKS AND NUMBERS

DYLX 1100 through 1118

DYLX 1120 through 1141